

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
THE EAST OHIO GAS COMPANY D/B/A  
DOMINION ENERGY OHIO FOR  
IMPLEMENTATION OF THE TAX CUTS  
AND JOBS ACT OF 2017.

CASE NO. 18-1908-GA-UNC

IN THE MATTER OF THE APPLICATION OF  
THE EAST OHIO GAS COMPANY D/B/A  
DOMINION ENERGY OHIO FOR  
APPROVAL OF TARIFF AMENDMENTS.

CASE NO. 18-1909-GA-ATA

### ENTRY

Entered in the Journal on July 18, 2019

{¶ 1} The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO or Company) is a natural gas company as defined by R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4909.18 provides, in relevant part, that where an application is not for an increase in any rate, but is for a new service, the application shall fully describe the new service and the Commission may permit the filing of the schedule proposed in the application and fix the time when such schedule shall take effect.

{¶ 3} The Tax Cuts and Jobs Act of 2017 (TCJA), signed into law on December 22, 2017, provides for a number of changes in the federal tax system. Most notably, the federal corporate income tax rate is reduced from 35 percent to 21 percent, effective January 1, 2018.

{¶ 4} On January 10, 2018, the Commission opened an investigation in order to study the impacts of the TCJA on the Commission's jurisdictional rate-regulated utilities and determine the appropriate course of action to pass benefits on to ratepayers. *In the Matter of the Commission's Investigation of the Financial Impact of the Tax Cuts and Jobs Act of 2017 on Regulated Ohio Utility Companies*, Case No. 18-47-AU-COI.

{¶ 5} On December 31, 2018, DEO filed an application to adopt a new tariff regarding the Tax Savings Credit Rider (TSCR). In its application, DEO seeks tariff-amendment approval under R.C. 4909.18, not for an increase in rates, to return to consumers the remaining tax savings resulting from the TCJA which are not currently reflected in various riders. DEO states that it has already begun the process of returning TCJA savings to its customers via the Pipeline Infrastructure Replacement (PIR) Cost Recovery Charge and the Automated Meter Reading (AMR) Cost Recovery Charge. DEO opines that both the PIR and AMR charges put into effect in May 2018 already reflect the reduction in the Federal Income Tax (FIT) expense. Additionally, DEO seeks to refund base rate-related tax savings through a credit mechanism in the newly proposed TSCR. DEO avers that the TSCR is designed to provide the Company's customers with a reduction in the FIT and excess accumulated deferred income taxes (EDITs) related to natural gas service as a credit to base distribution rates. Specifically, DEO avers that the current FIT expense savings deferred during the Stub Period will be returned through the TSCR with a one-time application of carrying charges on deferred balances since January 1, 2018, and the current FIT expense savings with a prospective impact will be recognized through either ongoing base-rate reductions or as an offset to DEO's Pipeline Safety Management Program regulatory asset. Additionally, DEO states that normalized EDIT will be passed through the TSCR pursuant to Average Rate Assumption Method tax normalization rules, and non-normalized EDIT will be passed through the TSCR either over ten years or over a more aggressive time period if in conjunction with a near-term base rate case or alternative regulation application.

{¶ 6} On February 15, 2019, the Ohio Consumers' Counsel (OCC) filed a motion to intervene and memorandum in support. No memoranda contra the motion to intervene were filed. The attorney examiner finds that the motion to intervene filed by OCC complies with the requirements set forth in R.C. 4903.221 and Ohio Adm.Code 4901-1-11, and should, therefore, be granted.

{¶ 7} On March 5, 2019, Staff filed its review and recommendation.

{¶ 8} On March 26, 2019, DEO filed its comments on Staff's review and recommendation. Additionally, on April 4, 2019, OCC filed its comments regarding Staff's review and recommendation and DEO's application.

{¶ 9} The attorney examiner finds that this matter should be set for hearing on September 17, 2019, at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, 11th Floor, Hearing Room 11-D, Columbus, Ohio 43215-3793. All parties should register at the lobby desk and then proceed to the 11th floor in order to participate in the hearing.

{¶ 10} Any party intending to present direct, expert testimony should comply with Ohio Adm.Code 4901-1-29(A)(1)(h), which requires that all such testimony to be offered in this type of proceeding should be filed and served upon all parties no later than seven days before the commencement of the hearing.

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That OCC's motion to intervene be granted. It is, further,

{¶ 13} ORDERED, That a hearing be scheduled as indicated in Paragraph 9. It is, further,

{¶ 14} ORDERED, That any party intending to present direct, expert testimony comply with Paragraph 10. It is, further,

{¶ 15} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/Lauren L. Augostini

By: Lauren L. Augostini  
Attorney Examiner

SJP/hac

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**Case No(s). 18-1908-GA-UNC, 18-1909-GA-ATA**

Summary: Attorney Examiner Entry granting motion to intervene, scheduling hearing, and setting guidelines for presenting direct, expert testimony electronically filed by Heather A Chilcote on behalf of Lauren L. Augostini, Attorney Examiner, Public Utilities Commission of Ohio